

CIVIC CENTER (14)

AGENCY PLAN: STATEMENT OF PURPOSE, GOALS AND BUDGET SUMMARY

STATEMENT OF PURPOSE:

The Civic Center Department provides and promotes world class facilities and services for conventions, trade shows, banquets, special events, cultural events and major public and sporting events in order to create both temporary and permanent economic impact to the City of Detroit.

AGENCY GOALS:

1. Heighten our level of customer satisfaction by providing a safe and attractive facility with a responsive, customer-driven staff.
2. Increase booking and event-generated revenue through proactive initiatives, causing an increased demand for hospitality services that relate to Cobo activity.
3. Reduce administrative, operational and maintenance costs.
4. Improve employee morale through the implementation of Total Quality Management principles, including employee training and empowerment initiatives.
5. Improve communication and cooperation with Detroit hospitality service providers (hotels, Detroit Metro Convention and Visitors Bureau, etc.)

AGENCY FINANCIAL SUMMARY:

2006-07 <u>Requested</u>		2005-06 <u>Budget</u>	2006-07 <u>Recommended</u>	Increase (Decrease)
\$24,481,873	City Appropriations	\$21,943,715	\$13,521,503	\$ (8,422,212)
<u>1,250,000</u>	Renewal and Replacement Funds	<u>1,040,000</u>	<u>1,250,000</u>	<u>210,000</u>
\$25,731,873	Total Appropriations	\$22,983,715	\$ 14,771,503	\$ (8,212,212)
\$ 8,469,607	Operating Revenues	\$ 8,503,809	\$ 8,011,607	\$ (492,202)
<u>1,250,000</u>	Renewal and Replacement Funds	<u>1,040,000</u>	<u>1,250,000</u>	<u>210,000</u>
9,719,607	Total Revenues	\$ 9,543,809	\$ 9,261,607	\$ (282,202)
\$16,012,266	NET TAX COST:	\$13,439,906	<u>\$ 5,509,896</u>	\$ (7,930,010)

AGENCY EMPLOYEE STATISTICS:

2006-07 <u>Requested</u>		2005-06 <u>Budget</u>	04-01-06 <u>Actual</u>	2006-07 <u>Recommended</u>	Increase (Decrease)
<u>70</u>	City Positions	<u>83</u>	<u>60</u>	<u>32</u>	(51)
70	Total Positions	83	60	32	(51)

ACTIVITIES IN THIS AGENCY:

	2005-06 <u>Budget</u>	2006-07 <u>Recommended</u>	Increase (Decrease)
Administrative Services	\$ 807,076	1,127,593	\$ 320,517
Civic Center Facilities Operations	21,210,144	13,147,317	(8,062,827)
Property Management	<u>966,495</u>	<u>496,593</u>	<u>(469,902)</u>
Total Appropriations	\$22,983,715	\$ 14,771,503	\$ (8,212,212)

CIVIC CENTER (14)

ADMINISTRATIVE SERVICES MEASURES AND TARGETS

ACTIVITY DESCRIPTION: ADMINISTRATIVE SERVICES

The Civic Center Department's Administrative Services unit establishes and implements policies, and provides all technical and administrative support to ensure the long-term viability of the Cobo Center complex as a world class attraction that serves as an economic catalyst for the City of Detroit and the State of Michigan. The unit provides and promotes a safe, attractive, well-managed, customer-friendly environment for Detroiters and visitors, making Cobo a magnet for conventions, trade shows, conferences, banquets and special events. The unit also monitors and maximizes the business relationship with Cobo's labor unions, exclusive contractors, Olympia Arenas, Incorporated and the Detroit Metro Convention and Visitors Bureau (DMCVB).

GOALS:

1. Reduce administrative and maintenance costs.
2. Improve employee moral through the implementation of Total Quality Management principles, including employee training and empowerment initiatives.

MAJOR INITIATIVES FOR FY 2005-06 and FY 2006-07:

- In 2005-06, the Civic Center completed the most prolific facility upgrading since its expansion in 1989.
- Remodeled (70) meeting rooms and (5) banquet/ballrooms, which included new state of the art furniture, podiums and stages.
- Redesigned our food court and constructed a state of the art restaurant and lounge, the Vü.
- Worked in conjunction with MDOT and DEGC completed \$13 million streetscape project from Washington Blvd. to Cobo Arena west to Hart Plaza. Completed major improvements in the Lodge Freeway Tunnel, which enhanced the entrance to downtown.
- Remodeled 14 restrooms, which included ADA compliancy.
- Renovated Hart Plaza lounge, provided lighting upgrades, and fountain enhancements and new electronic marquee billboard.
- Replaced antiquated fire/security system with state of the art systems including new digital cameras.

PLANNING FOR THE FUTURE FOR FY 2006-07, FY 2007-08 and BEYOND:

- It is the Civic Center's highest priority to become more competitive and generate more economic impact for the region.
- It is our goal to complete and have in place by Summer 2006, a new efficiency agreement with our exhibit hall labor unions. These unions orchestrate the production of the NAIAS, which provides \$500 million of economic impact to the region.
- Our recent successes with MLB, NFL and the annual Auto Show coupled with our new efficiency agreement will enable us to aggressively pursue a new level of major events that were previously unattainable under our old agreement.
- The Civic Center will entertain RFPs for the following contracts, which expire in 2006: electrical, janitorial, elevator, and security. It is the Civic Center's intent to obtain better pricing and service through the competitive bid process.

CIVIC CENTER (14)

ADMINISTRATIVE SERVICES MEASURES AND TARGETS

Type of Performance Measure:	2003-04	2004-05	2005-06	2006-07
List of Measures	Actual	Actual	Projection	Target
Outputs: Units of Activity directed toward Goals				
Number of major events bookings - building rentals	48	48	49	50
Efficiency: Program Costs related to Units of Activity				
Contractual services as percent of total costs	19.3%	22.7%	28.6%	27.0%
Activity Costs	\$1,628,577	\$1,357,551	\$807,076	\$1,127,593

CITY OF DETROIT
Civic Center
Financial Detail by Appropriation and Organization

Administration	2005-06 Redbook		2006-07 Dept Final Request		2006-07 Mayor's Budget Rec	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Administration						
<i>APPROPRIATION ORGANIZATION</i>						
00008 - Administration						
140010 - Administration	9	\$450,076	9	\$1,027,389	5	\$742,593
140030 - Arena Taxes	0	\$357,000	0	\$385,000	0	\$385,000
APPROPRIATION TOTAL	9	\$807,076	9	\$1,412,389	5	\$1,127,593
ACTIVITY TOTAL	9	\$807,076	9	\$1,412,389	5	\$1,127,593

CITY OF DETROIT
Budget Development for FY 2006-2007
Appropriations - Summary Objects

	2005-06	2006-07	2006-07
	Redbook	Dept Final	Mayor's
		Request	Budget Rec
AC0514 - Administrative Services			
<i>A14000 - Civic Center</i>			
SALWAGESL - Salary & Wages	203,587	483,638	351,610
EMPBENESL - Employee Benefi	130,559	409,582	259,526
PROFSVCSL - Professional/Cont	60,000	54,000	54,000
OPERSUPSL - Operating Supplie	27,841	25,000	25,000
OPERSVCSL - Operating Service	48,089	50,169	50,169
OTHEXPSSL - Other Expenses	337,000	390,000	387,288
<i>A14000 - Civic Center</i>	<i>807,076</i>	<i>1,412,389</i>	<i>1,127,593</i>
AC0514 - Administrative Services	807,076	1,412,389	1,127,593
Grand Total	807,076	1,412,389	1,127,593

CIVIC CENTER (14)

CIVIC CENTER FACILITIES OPERATIONS ACTIVITY INFORMATION

ACTIVITY DESCRIPTION: CIVIC CENTER FACILITIES OPERATIONS

The Civic Center Department's Facilities Operations unit provides management, event coordination, maintenance, security, customer service, food service and a positive environment in one of the nation's largest exhibition centers. Sales and marketing staff are included in this section and work closely with Administrative Services and the Detroit Metro Convention and Visitors Bureau (DMCVB). This unit manages a substantial volume of city property and is primarily responsible for the management and/or tenant relations for Joe Louis Arena, Cobo Arena, Veterans Memorial Building and Ford Auditorium. The Civic Center Department also manages, operates and controls the chilled water and refrigeration plant. The chilled water is supplied by the Civic Center Department and distributed to Joe Louis Arena, Cobo Arena, and the Veterans Memorial Building (Ford/UAW Training Center) for use in their HVAC system.

GOALS:

1. Heighten our level of customer satisfaction by providing a safe and attractive facility with a responsive, customer-driven staff.
2. Increase booking and event-generated revenue through proactive initiatives, causing an increased demand for hospitality services that relate to Cobo activity.
3. Improve communication and cooperation with Detroit hospitality service providers (hotels, DMCVB, etc.)

MAJOR INITIATIVES FOR FY 2005-06 and FY 2006-07:

- In 2005-06, the Civic Center completed the most prolific facility upgrading since its expansion in 1989.
- Remodeled (70) meeting rooms and (5) banquet/ballrooms, which included new state of the art furniture, podiums and stages.
- Redesigned our food court and constructed a state of the art restaurant and lounge, the Vü.
- Worked in conjunction with MDOT and DEGC completed \$13 million streetscape project from Washington Blvd. to Cobo Arena west to Hart Plaza. Completed major improvements in Lodge Freeway Tunnel, which enhanced entrance to downtown.
- Remodeled 14 restrooms, which included ADA compliancy.
- Renovated Hart Plaza lounge, provided lighting upgrades, and fountain enhancements and new electronic marquee billboard.
- Replaced antiquated fire/security system with state of the art systems including new digital cameras.

PLANNING FOR THE FUTURE FOR FY 2006-07, FY 2007-08 and BEYOND:

- It is the Civic Center's highest priority to become more competitive and generate more economic impact for the region.
- It is our goal to complete and have in place by Summer 2006, a new efficiency agreement with our exhibit hall labor unions. These unions orchestrate the production of the NAIAS, which provides \$500 million of economic impact to the region.
- Our recent successes with MLB, NFL and the annual Auto Show coupled with our new efficiency agreement will enable us to aggressively pursue a new level of major events that were previously unattainable under our old agreement.
- The Civic Center will entertain RFPs for the following contracts, which expire in 2006: electrical, janitorial, elevator, and security. It is the Civic Center's intent to obtain better pricing and service through the competitive bid process.

CIVIC CENTER (14)

CENTER FACILITIES OPERATIONS MEASURES AND TARGETS

Type of Performance Measure:	2003-04	2004-05	2005-06	2006-07
List of Measures	Actual	Actual	Projection	Target
Outputs: Units of Activity directed toward Goals				
Building repairs and maintenance expenditures	\$2,371,552	\$1,827,700	\$1,280,000	\$1,353,000
Efficiency: Program costs related to Units of Activity				
Hall rentals as percent of total rentals	N/A	67%	65%	66%
Restaurant concession as percent of total revenue	17.7%	23.4%	24%	25%
Activity Costs	\$23,586,686	\$22,970,008	\$21,210,143	\$13,147,317

CITY OF DETROIT
Civic Center
Financial Detail by Appropriation and Organization

Sales & Marketing Cobo Center	2005-06 Redbook		2006-07 Dept Final Request		2006-07 Mayor's Budget Rec	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
<i>APPROPRIATION ORGANIZATION</i>						
00011 - Cobo Center						
140040 - Sales & Marketing	14	\$451,880	11	\$922,328	9	\$823,245
140045 - Operations	5	\$4,598,750	4	\$351,903	4	\$316,696
140060 - Information Desk	0	\$16,010	0	\$41,223	0	\$38,680
140090 - Maintenance	22	\$13,632,680	18	\$17,129,542	0	\$10,037,812
140100 - Building Services	19	\$427,120	16	\$1,009,873	10	\$674,008
140110 - Building Services Extra Service	0	\$4,482	0	\$7,327	0	\$6,876
140140 - Security Cobo Org	8	\$1,039,220	6	\$1,832,215	0	\$0
APPROPRIATION TOTAL	68	\$20,170,143	55	\$21,294,411	23	\$11,897,317
00890 - Cobo - Renewal and Replacement						
140050 - Renewal & Replacement	0	\$1,040,000	0	\$1,250,000	0	\$1,250,000
APPROPRIATION TOTAL	0	\$1,040,000	0	\$1,250,000	0	\$1,250,000
ACTIVITY TOTAL	68	\$21,210,143	55	\$22,544,411	23	\$13,147,317

CITY OF DETROIT
Budget Development for FY 2006-2007
Appropriations - Summary Objects

	2005-06 Redbook	2006-07 Dept Final Request	2006-07 Mayor's Budget Rec
AC1514 - Civic Center Facilities Operations			
<i>A14000 - Civic Center</i>			
SALWAGESL - Salary & Wages	1,149,538	2,349,534	1,078,846
EMPBENESL - Employee Benefi	664,659	1,997,853	744,201
PROFSVCSL - Professional/Cont	4,515,931	4,465,931	0
OPERSUPSL - Operating Supplie	1,105,500	1,358,605	1,000
OPERSVCSL - Operating Service	8,843,592	9,018,550	7,994,332
CAPOUTLSL - Capital Outlays/Mi	1,040,000	1,250,000	1,250,000
OTHEXPSSL - Other Expenses	1,826,985	40,000	15,000
FIXEDCHGSL - Fixed Charges	2,063,938	2,063,938	2,063,938
<i>A14000 - Civic Center</i>	<i>21,210,143</i>	<i>22,544,411</i>	<i>13,147,317</i>
AC1514 - Civic Center Facilities Operation:	21,210,143	22,544,411	13,147,317
Grand Total	21,210,143	22,544,411	13,147,317

CIVIC CENTER (14)

PROPERTY MANAGEMENT ACTIVITY INFORMATION

ACTIVITY DESCRIPTION: PROPERTY MANAGEMENT

The Property Management Division includes cleanup, maintenance, security, and customer service for Hart Plaza. This Division is primarily responsible for the management and/or tenants relations for Hart Plaza, and Ford Auditorium.

GOAL:

Heighten customer satisfaction with City of Detroit tourist and special event attractions, by providing safe and attractive facilities with responsive, customer-driver staff.

MAJOR INITIATIVES FOR FY 2005-06 and FY 2006-07:

- In 2005-06, the Civic Center completed the most prolific facility upgrading since its expansion in 1989.
- We've completely remodeled (70) meeting rooms and (5) banquet/ballrooms, which included new state of the art furniture, podiums and stages.
- Redesigned our food court and constructed a state of the art restaurant and lounge, the Vü.
- Worked in conjunction with MDOT and DEGC completed \$13 million streetscape project from Washington Blvd. to Cobo Arena west to Hart Plaza. Completed major improvements in Lodge Freeway Tunnel, which enhanced entrance to downtown.
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CIVIC CENTER (14)

PROPERTY MANAGEMENT MEASURES AND TARGETS INFORMATION

Type of Performance Measure:	2003-04	2004-05	2005-06	2006-07
List of Measures	Actual	Actual	Projection	Target
Outputs: Units of Activity directed toward Goals				
No. of activity hours at Hart Plaza	350	350	350	325
Activity Costs	\$1,298,945	\$1,212,442	\$966,495	\$496,593

CITY OF DETROIT
Civic center
Financial Detail by Appropriation and Organization

Property Management Administration	2005-06 Redbook		2006-07 Dept Final Request		2006-07 Mayor's Budget Rec	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
<hr/>						
<i>APPROPRIATION ORGANIZATION</i>						
11150 - Property Management						
140350 - Property Management Administration	6	\$116,296	6	\$274,028	4	\$194,718
140370 - Hart Plaza Management	0	\$850,199	0	\$1,501,045	0	\$301,875
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
APPROPRIATION TOTAL	6	\$966,495	6	\$1,775,073	4	\$496,593
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ACTIVITY TOTAL	6	\$966,495	6	\$1,775,073	4	\$496,593

CITY OF DETROIT
Budget Development for FY 2006-2007
Appropriations - Summary Objects

	2005-06 Redbook	2006-07 Dept Final Request	2006-07 Mayor's Budget Rec
AC3514 - Property Management			
<i>A14000 - Civic Center</i>			
SALWAGESL - Salary & Wages	81,754	148,543	123,267
EMPBENESL - Employee Benefi	34,542	125,485	71,451
PROFSVCSL - Professional/Cont	942,888	1,004,170	0
OPERSUPSL - Operating Supplie	290,000	185,000	0
OPERSVCSL - Operating Service	297,311	301,875	301,875
CAPEQUPSL - Capital Equipmen	20,000	10,000	0
OTHEXPSSL - Other Expenses	(700,000)	0	0
<i>A14000 - Civic Center</i>	<i>966,495</i>	<i>1,775,073</i>	<i>496,593</i>
AC3514 - Property Management	966,495	1,775,073	496,593
Grand Total	966,495	1,775,073	496,593

CITY OF DETROIT
Budget Development for FY 2006-2007
Appropriation Summary - Revenues

	2004-05 Actuals	2005-06 Redbook	2006-07 Dept Final Request	2006-07 Mayor's Budget Rec	Variance
A14000 - Civic Center					
<i>00008 - Administration</i>					
447300 - Other Utility Revenue	101,199	700,000	525,000	525,000	(175,000)
447505 - Telephone And Telegran	200	100	100	100	0
447555 - Other Reimbursements	0	31,023	31,023	31,023	0
462130 - Building Rentals	2,217,589	2,758,000	2,758,000	2,300,000	(458,000)
463100 - Miscellaneous Concess	179,980	2,000,000	1,785,000	1,785,000	(215,000)
463175 - Restaurant Concessions	1,293,109	1,750,000	1,750,000	1,750,000	0
463185 - Checking Concessions	36,776	50,000	50,000	50,000	0
472130 - Equipment Rentals	27,730	30,000	50,000	50,000	20,000
474100 - Miscellaneous Receipts	5,046	3,000	5,000	5,000	2,000
510100 - Street Funds Reimburse	0	79,370	79,370	79,370	0
<i>00008 - Administration</i>	3,861,629	7,401,493	7,033,493	6,575,493	(826,000)
<i>00011 - Cobo Center</i>					
447555 - Other Reimbursements	30,763	0	0	0	0
462130 - Building Rentals	62,418	0	0	0	0
472130 - Equipment Rentals	585	0	0	0	0
510100 - Street Funds Reimburse	79,370	0	0	0	0
<i>00011 - Cobo Center</i>	173,136	0	0	0	0
<i>00890 - Cobo - Renewal and Replacement</i>					
461100 - Earnings On Investment	40,890	0	0	0	0
510325 - Transfers From Other Ft	530,950	1,040,000	1,250,000	1,250,000	210,000
<i>00890 - Cobo - Renewal and Replacem</i>	571,840	1,040,000	1,250,000	1,250,000	210,000
<i>11150 - Property Management</i>					
447300 - Other Utility Revenue	435,107	90,000	50,000	50,000	(40,000)
462100 - Rental-Public Bldgs & S	0	38,000	0	0	(38,000)
462125 - Rental - Acquired Prope	0	34,000	10,000	10,000	(24,000)
462130 - Building Rentals	1,017,707	940,316	1,376,114	1,376,114	435,798
474100 - Miscellaneous Receipts	2,100	0	0	0	0
<i>11150 - Property Management</i>	1,454,914	1,102,316	1,436,114	1,436,114	333,798
A14000 - Civic Center	6,061,519	9,543,809	9,719,607	9,261,607	(282,202)
Grand Total	6,061,519	9,543,809	9,719,607	9,261,607	(282,202)

CITY OF DETROIT
MAYOR'S 2006/2007 RECOMMENDED BUDGET

Civic Center

Appropriation Organization Classification	REDBOOK FY 2005 2006 FTE	DEPT REQUEST FY 2006 2007	MAYORS FY 2006 2007 FTE
00008 - Administration			
140010 - Administration			
Director - Civic Center	1	1	1
Deputy Director - Civic Center	1	1	1
General Manager - Civic Center	1	1	1
Manager I - Civic Center	1	1	1
Executive Secretary III	1	1	1
Executive Secretary II	1	1	0
Sr Stenographer - Exempted	1	1	0
Office Assistant II	2	2	0
Total Administration	9	9	5
Total Administration	9	9	5
00011 - Cobo Center			
140040 - Sales & Marketing			
Manager II - Civic Center	1	1	1
Manager I - Civic Center	1	1	1
Sales Manager - Civic Center	1	1	1
Asst Sales Mgr - Civic Center	2	1	1
Admin Asst GD III	1	1	1
Sr Civic Center Event Coordinator	2	2	1
Civic Center Event Coordinator	5	4	3
Senior Stenographer	1	0	0
Total Sales & Marketing	14	11	9
140045 - Operations			
Civic Center Svcs Foreman	2	2	2
Civic Center Svcs Supervisor	1	1	1
Prin Civic Center Oper Asst	1	1	1
Sr Promotional Activities Asst	1	0	0
Total Operations	5	4	4
140090 - Maintenance			
Manager II - Civic Center	1	1	0
Bldg Oper Sprv - Grade II	1	0	0

CITY OF DETROIT
MAYOR'S 2006/2007 RECOMMENDED BUDGET

Civic Center

Appropriation	REDBOOK FY 2005	DEPT REQUEST	MAYORS FY 2006
Organization	2006 FTE	FY 2006 2007	2007 FTE
Classification			
00011 - Cobo Center			
140090 - Maintenance			
Bldg Maintenance Foreman	1	1	0
Elect Worker - General	3	3	0
Finish Carpenter	1	1	0
Plumber	1	0	0
Finish Painter - Bldg Spray	1	1	0
Refrig Equip Oper 1st Class	4	4	0
Bldg Control Station Operator	4	4	0
Electrical Equip Technician	1	1	0
Building Mechanic	3	1	0
Office Assistant III	1	1	0
Total Maintenance	22	18	0
140100 - Building Services			
Civic Center Facility Worker	17	14	10
Civic Center Facility Wrkr-SS	2	2	0
Total Building Services	19	16	10
140140 - Security Cobo Org			
Sprv Srve Guard - GD II	1	1	0
Senior Service Guard General	1	1	0
Service Guard - General	6	4	0
Total Security Cobo Org	8	6	0
Total Cobo Center	68	55	23
11150 - Property Management			
140350 - Property Management Administrati			
Reservation Event Coordinator	1	1	0
Recreation Instructor	2	2	0
Playleader - Spec Ser	3	3	0
Civic Center Event Coord-Spec	0	0	2
Sr Civic Center Event Coordinator	0	0	1

**CITY OF DETROIT
MAYOR'S 2006/2007 RECOMMENDED BUDGET**

Civic Center

Appropriation	REDBOOK FY 2005	DEPT REQUEST	MAYORS FY 2006
Organization	2006 FTE	FY 2006 2007	2007 FTE
Classification			
11150 - Property Management			
140350 - Property Management Administration			
Civic Center Event Coordinator	0	0	1
Total Property Management Administration	<u>6</u>	<u>6</u>	<u>4</u>
Total Property Management	<u>6</u>	<u>6</u>	<u>4</u>
Agency Total	<u><u>83</u></u>	<u><u>70</u></u>	<u><u>32</u></u>